

Message Text

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44

ACTION AF-18

INFO OCT-01 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 EB-11 COME-00

INT-08 SCEM-02 OMB-01 TRSE-00 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 ACDA-19 IO-14 AEC-11 DRC-01 /225 W

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R 231408Z NOV 73

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 1876

INFO AMEMBASSY BONN

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TUNIS

OECD PARIS 3742

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E.O. 11652: N/A

TAGS: ENRG, NI

SUBJECT: THE GREAT CRUDE OIL SALE: A SITREP

REF: LAGOS 9191

1. SOME OF LAST WEEKS'S BIDDERS FOR PARTICIAPTION AND ROYALTY CRUDE OIL RECEIVED IMPRESSION SUCCESSFUL BIDDERS WOULD BEGIN TO LEARN RESULTS BY THANKSGIVING. NIGERIAN NATIONAL OIL CORPORATION MARKETING MANAGER (UWAMU) TOLD EMBOFF NOVEMBER 22, HOWEVER, THAT NO FINAL DECISIONS HAVE YET BEEN TAKEN. HE SAID HE TABULATED ALL OFFERS AS OF NOVEMBER 15 AND SUBMITTED THEM TO "HIGH POLITICAL AUTHORITY" BUT CANNOT PREDICT WHEN HE WILL BE AUTHORIZED INFORM SUCCESSFUL BIDDERS AND ASK THEM RETURN LAGOS TO NEGOTIATE

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PURCHASE CONTRACTS.

2. UWAMU CONFIRMED THAT MOST TOP BIDDERS WERE AMERICAN. HE SAID THEIR OFFERS WERE "VERY HIGH" AND THE FIVE HIGHEST BIDDERS ALONE WANTED MORE THAN THE 300,000 BARRELS PER DAY AVAILABLE. HE DENIED THE NOVEMBER 22 FINANCIAL TIMES REPORT FROM ROME THAT A US COMPANY (COASTAL STATES, WHICH PIW SAYS RECENTLY PAID \$12.64 PER BARREL FOR A CARGO OF TUNISIAN CURDE) HAS ALREADY PURCHASED ONE THIRD OF NTHE NIGERIAN OFFERING FOR \$16.80 RPT \$16.80 PER BARREL. UWAMU SAID COASTAL STATES IN FACT BID \$10.114 RPT \$10.114 PER BARREL WHICH PUTS IT IN THIRTY-FOURTH PLACE BEHIND THE HIGHEST BIDDEJWM COASTAL STATES IS THEREFORE A "COMPLETE NON-STARTER."

3. EMBASSY HAD PREVIOUSLY HEARD FROM TWO SOURCES THAT COASTAL STATES WAS HIGHEST BIDDER OR SECOND HIGHEST BIDDER (BEHIND A GERMAN FIRM). OTHER UNCONFIRMED RUMORS MAKING ROUNDS IN LAGOS SAY JAPANESE PRICE CONTROLS EFFECTIVELY IMPOSED CEILING ON BIDS FROM JAPANESE COMPANIES AND THEY THEREFORE NOT AMONG THE LEADERS. NIGERIANS ARE ALSO REPORTED TO HAVE BEEN ANGERED BY THEIR DISCOVERY THAT SEVERAL OF THE HIGHEST BIDS WERE RESULT OF UNDERCOVER WORK BY ARAB PRODUCING COUNTRIES IN ORDER DRIVE UP WOULD "MARKET PRICE" OF CRUDE OIL.

4. FYI. ACCORDING FMG PRESS RELEASE, COMMISSIONER OF MINES AND POWER MONGUNO WAS EXPECTED VISIT IRAQ AND KUWAIT AFTER ATTENDING THE NOVEMBER 19 OPEC MEETING IN VIENNA. PERM SEC ASIODU RETURNED NIGERIA ABOUT NOVEMBER 12 AFTER FIVE WEEK ABSENCE. END FYI.
REINHARDT

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